

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

May 13, 2022

Company name: TOMONY Holdings, Inc.
 Stock exchanging listing: Tokyo (code: 8600)
 URL: <https://www.tomony-hd.co.jp/>
 Representative: Takeshi Nakamura, Representative Director, President and CEO
 For inquiry: Hitomi Fujii, Managing Director, General Manager of Corporate Planning Department
 Tel: +81-87-812-0102
 Scheduled date of annual general meeting of shareholders: June 28, 2022
 Scheduled date to commence dividend payment: June 29, 2022
 Scheduled date to file annual securities report: June 28, 2022
 Trading accounts: None
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated highlights for fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Results of operations

(%: Changes from the previous fiscal year)

Fiscal year ended	Ordinary income		Ordinary profits		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%
March 31, 2022	70,335	(0.4)	19,132	32.0	13,062	30.8
March 31, 2021	70,687	(0.4)	14,493	27.3	9,984	22.7

(Note) Comprehensive income: March 31, 2022: ¥4,080 million [(83.0)%]; March 31, 2021: ¥24,034 million [—%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profits to total assets	Ordinary profits to ordinary income
	yen	yen	%	%	%
March 31, 2022	81.53	79.81	5.4	0.4	27.2
March 31, 2021	62.51	61.26	4.3	0.3	20.5

(2) Financial conditions

As of	Total assets	Total net assets	Equity-to-asset ratio	Total net assets per share
	million yen	million yen	%	yen
March 31, 2022	4,596,057	245,730	5.2	1,506.59
March 31, 2021	4,407,903	243,183	5.4	1,494.87

(Reference) Equity: March 31, 2022: ¥242,116 million; March 31, 2021: ¥239,051 million

(Note) "Equity-to-asset ratio" is calculated as follows: (Total net assets - Subscription rights to shares - Non-controlling interests) / Total assets × 100

(3) Cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
March 31, 2022	47,910	(27,436)	(2,375)	532,813
March 31, 2021	228,257	(42,814)	(1,387)	514,705

2. Cash dividends for shareholders

Fiscal year	Annual cash dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
ended March 31, 2021	-	4.00	-	4.00	8.00	1,296	12.7	0.5
ended March 31, 2022	-	4.50	-	4.50	9.00	1,454	11.0	0.5
ending March 31, 2023 (Forecast)	-	4.50	-	4.50	9.00		13.5	

3. Earnings forecasts for fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(%: Changes from the previous fiscal year)

Six months ending September 30, 2022	Ordinary profits		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	yen
	8,000	(12.7)	5,350	(21.2)	33.29
Fiscal year ending March 31, 2023	16,250	(15.0)	10,650	(18.4)	66.27

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatements
 - (i) Changes in accounting policies due to revisions of accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to reasons other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None
- (3) Issued shares of common shares

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	163,728,911 shares	As of March 31, 2021	163,728,911 shares
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- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	3,024,704 shares	As of March 31, 2021	3,814,619 shares
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- (iii) Average number of outstanding shares

Fiscal year ended March 31, 2022	160,215,201 shares	Fiscal year ended March 31, 2021	159,712,053 shares
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*This "Consolidated Financial Results" is outside the scope of the audit.

*Notes for using forecasted information etc.

The description of future performance of this report is based on information which is presently available and certain assumptions, which are considered to be reasonable, and it does not guarantee future performance. Please take note that future performance may differ from forecasts depending on various future factors. The following are important factors that may affect future performance. The factors that affect future performance are not limited to these.

- (i) Conservatively estimating the recording of securities-related gains and losses and credit-related expenses in consideration of the impact of the spread of COVID -19 infection

Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Cash and due from banks	520,145	537,955
Trading securities	495	436
Money held in trust	3,855	1,327
Securities	699,488	727,889
Loans and bills discounted	3,083,708	3,229,950
Foreign exchanges	6,508	7,247
Lease receivables and investments in leases	9,660	10,023
Other assets	54,419	52,559
Tangible fixed assets	36,936	35,967
Buildings, net	17,456	18,092
Land	15,374	15,766
Leased assets, net	561	376
Construction in progress	1,919	183
Other tangible fixed assets	1,623	1,548
Intangible fixed assets	1,457	1,369
Software	1,333	1,240
Other intangible fixed assets	123	129
Retirement benefit asset	5,325	5,860
Deferred tax assets	138	163
Customers' liabilities for acceptances and guarantees	7,885	7,309
Allowance for loan losses	(22,121)	(22,003)
Total assets	4,407,903	4,596,057
Liabilities		
Deposits	3,827,292	3,948,642
Negotiable certificates of deposit	68,979	113,501
Call money and bills sold	23,000	-
Borrowed money	202,817	243,775
Foreign exchanges	17	23
Other liabilities	27,947	33,771
Provision for bonuses	315	328
Provision for bonuses for directors (and other officers)	103	106
Retirement benefit liability	154	148
Provision for reimbursement of deposits	269	188
Provision for contingent loss	146	137
Provision for loss on guarantees	-	213
Deferred tax liabilities	4,972	1,372
Deferred tax liabilities for land revaluation	817	808
Acceptances and guarantees	7,885	7,309
Total liabilities	4,164,719	4,350,327

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Share capital	25,000	25,000
Capital surplus	25,808	25,972
Retained earnings	170,751	182,386
Treasury shares	(1,515)	(1,142)
Total shareholders' equity	220,043	232,216
Valuation difference on available-for-sale securities	16,819	7,730
Deferred gains or losses on hedges	1	0
Revaluation reserve for land	1,402	1,406
Remeasurements of defined benefit plans	784	763
Total accumulated other comprehensive income	19,007	9,900
Share acquisition rights	1,224	1,215
Non-controlling interests	2,907	2,398
Total net assets	243,183	245,730
Total liabilities and net assets	4,407,903	4,596,057

(2) Consolidated statements of income and consolidated statements of comprehensive income
(Consolidated statements of income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Ordinary income	70,687	70,335
Interest income	47,919	48,023
Interest on loans and discounts	38,934	39,573
Interest and dividends on securities	8,752	7,776
Interest on call loans and bills bought	(2)	(0)
Interest on deposits with banks	219	657
Other interest income	15	17
Fees and commissions	9,268	10,453
Other ordinary income	8,672	9,108
Other income	4,825	2,750
Recoveries of written off receivables	356	637
Other	4,469	2,112
Ordinary expenses	56,194	51,203
Interest expenses	1,545	1,148
Interest on deposits	1,400	1,062
Interest on negotiable certificates of deposit	21	15
Interest on call money and bills sold	32	(4)
Interest on borrowings and rediscounts	74	68
Other interest expenses	16	6
Fees and commissions payments	4,210	4,019
Other ordinary expenses	10,798	8,420
General and administrative expenses	34,081	34,041
Other expenses	5,557	3,573
Provision of allowance for loan losses	2,000	1,361
Other	3,557	2,211
Ordinary profit	14,493	19,132
Extraordinary income	33	437
Gain on disposal of non-current assets	33	220
Compensation for forced relocation	-	217
Extraordinary losses	706	805
Loss on disposal of non-current assets	101	416
Impairment losses	605	175
Provision for loss on guarantees	-	213
Profit before income taxes	13,820	18,764
Income taxes - current	3,569	5,127
Income taxes - deferred	111	388
Total income taxes	3,680	5,515
Profit	10,140	13,248
Profit attributable to non-controlling interests	156	186
Profit attributable to owners of parent	9,984	13,062

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	10,140	13,248
Other comprehensive income	13,893	(9,168)
Valuation difference on available-for-sale securities	12,370	(9,146)
Deferred gains or losses on hedges	1	(1)
Remeasurements of defined benefit plans, net of tax	1,522	(20)
Comprehensive income	24,034	4,080
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,762	3,951
Comprehensive income attributable to non-controlling interests	271	128

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,000	25,843	161,895	(2,015)	210,723
Changes during period					
Dividends of surplus			(1,296)		(1,296)
Profit attributable to owners of parent			9,984		9,984
Purchase of treasury shares				(151)	(151)
Disposal of treasury shares		(35)		651	615
Reversal of revaluation reserve for land			168		168
Net changes in items other than shareholders' equity					
Total changes during period	-	(35)	8,856	499	9,320
Balance at end of period	25,000	25,808	170,751	(1,515)	220,043

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	4,564	0	1,570	(737)	5,397	1,244	2,638	220,003
Changes during period								
Dividends of surplus								(1,296)
Profit attributable to owners of parent								9,984
Purchase of treasury shares								(151)
Disposal of treasury shares								615
Reversal of revaluation reserve for land								168
Net changes in items other than shareholders' equity	12,255	1	(168)	1,522	13,610	(20)	269	13,858
Total changes during period	12,255	1	(168)	1,522	13,610	(20)	269	23,179
Balance at end of period	16,819	1	1,402	784	19,007	1,224	2,907	243,183

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,000	25,808	170,751	(1,515)	220,043
Cumulative effects of changes in accounting policies			(49)		(49)
Restated balance	25,000	25,808	170,701	(1,515)	219,994
Changes during period					
Dividends of surplus			(1,374)		(1,374)
Profit attributable to owners of parent			13,062		13,062
Purchase of treasury shares				(202)	(202)
Disposal of treasury shares		(2)		576	574
Change in ownership interest of parent due to transactions with non-controlling interests		166			166
Reversal of revaluation reserve for land			(3)		(3)
Net changes in items other than shareholders' equity					
Total changes during period	-	164	11,684	373	12,222
Balance at end of period	25,000	25,972	182,386	(1,142)	232,216

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	16,819	1	1,402	784	19,007	1,224	2,907	243,183
Cumulative effects of changes in accounting policies							(48)	(98)
Restated balance	16,819	1	1,402	784	19,007	1,224	2,858	243,084
Changes during period								
Dividends of surplus								(1,374)
Profit attributable to owners of parent								13,062
Purchase of treasury shares								(202)
Disposal of treasury shares								574
Change in ownership interest of parent due to transactions with non-controlling interests								166
Reversal of revaluation reserve for land								(3)
Net changes in items other than shareholders' equity	(9,089)	(1)	3	(20)	(9,107)	(8)	(460)	(9,576)
Total changes during period	(9,089)	(1)	3	(20)	(9,107)	(8)	(460)	2,645
Balance at end of period	7,730	0	1,406	763	9,900	1,215	2,398	245,730

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	13,820	18,764
Depreciation	1,949	2,028
Impairment losses	605	175
Increase (decrease) in allowance for loan losses	(363)	(118)
Increase (decrease) in provision for bonuses	4	12
Increase (decrease) in provision for bonuses for directors (and other officers)	9	2
Decrease (increase) in retirement benefit asset	(291)	(376)
Increase (decrease) in retirement benefit liability	(22)	(6)
Increase (decrease) in provision for reimbursement of deposits	(112)	(81)
Increase (decrease) in provision for contingent loss	(6)	(9)
Increase (decrease) in provision for loss on guarantees	-	213
Interest income	(47,919)	(48,023)
Interest expenses	1,545	1,148
Loss (gain) related to securities	1,369	(842)
Loss (gain) on money held in trust	18	40
Foreign exchange losses (gains)	(4,058)	(11,729)
Loss (gain) on disposal of non-current assets	68	196
Net decrease (increase) in loans and bills discounted	(176,937)	(146,242)
Net increase (decrease) in deposits	297,728	121,350
Net increase (decrease) in negotiable certificates of deposit	(955)	44,522
Net increase (decrease) in borrowed money (excluding subordinated borrowings)	145,026	41,557
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	1,309	298
Net decrease (increase) in call loans	5,000	-
Net increase (decrease) in call money	(58,766)	(23,000)
Net decrease (increase) in foreign exchanges - assets	(528)	(739)
Net increase (decrease) in foreign exchanges - liabilities	6	5
Net decrease (increase) in lease receivables and investments in leases	(721)	(363)
Interest received	47,924	48,237
Interest paid	(1,685)	(1,298)
Other, net	5,649	6,508
Subtotal	229,666	52,232
Income taxes paid	(1,409)	(4,322)
Net cash provided by (used in) operating activities	228,257	47,910

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of securities	(286,476)	(239,965)
Proceeds from sale of securities	97,410	109,454
Proceeds from redemption of securities	149,901	101,607
Increase in money held in trust	(4,400)	(5,545)
Decrease in money held in trust	4,032	8,029
Purchase of tangible fixed assets	(3,405)	(1,442)
Proceeds from sale of tangible fixed assets	140	735
Purchase of intangible assets	(16)	(309)
Net cash provided by (used in) investing activities	(42,814)	(27,436)
Cash flows from financing activities		
Repayments of subordinated borrowings	-	(600)
Dividends paid	(1,296)	(1,370)
Dividends paid to non-controlling interests	(2)	(2)
Purchase of treasury shares	(151)	(202)
Proceeds from disposal of treasury shares	328	322
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(420)
Repayments of lease liabilities	(265)	(101)
Net cash provided by (used in) financing activities	(1,387)	(2,375)
Effect of exchange rate change on cash and cash equivalents	5	9
Net increase (decrease) in cash and cash equivalents	184,060	18,108
Cash and cash equivalents at beginning of period	330,644	514,705
Cash and cash equivalents at end of period	514,705	532,813